United Nations A/AC.109/2014/6

General Assembly

Distr.: General
12 February 2014

Original: English

Special Committee on the Situation with regard to the Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples

British Virgin Islands

Working paper prepared by the Secretariat

Contents

		Page
	The Territory at a glance	3
I.	Constitutional, political and legal issues	4
II.	Budget	5
III.	Economic conditions	5
	A. General	5
	B. Financial services	5
	C. Tourism	6
	D. Agriculture and fisheries	6
	E. Communications and infrastructure	6
IV.	Social conditions	7
	A. Labour and immigration	7
	B. Education	7
	C. Public health	8

Note: The information contained in the present paper has been derived from public sources, including those of the territorial Government, and from information transmitted to the Secretary-General by the administering Power under Article 73 *e* of the Charter of the United Nations. Information was transmitted by the administering Power on 23 December 2013. Further details are contained in previous working papers available from www.un.org/en/decolonization/workingpapers.shtml.

14-23410 (E) 280214

Please recycle

D. Crime and public safety 8
E. Human rights 8
V. Environment 9
VI. Relations with international organizations and partners 10
VII. Future status of the Territory 11
A. Position of the territorial Government 11
B. Position of the administering Power 11
C. Action by the General Assembly 12

The Territory at a glance

Territory: The British Virgin Islands is a Non-Self-Governing Territory under the Charter of the United Nations administered by the United Kingdom of Great Britain and Northern Ireland.

Representative of administering Power: Governor William Boyd McCleary (August 2010).

Geography: Located approximately 100 km east of Puerto Rico and 25 km from the United States Virgin Islands, the Territory comprises a group of some 50 islands, islets and cays that form an archipelago with the United States Virgin Islands. Twenty of the islands are inhabited. The major islands are Tortola, Virgin Gorda, Anegada and Jost Van Dyke.

Land area: 153 km^2.

Exclusive economic zone: 80,117 km^2.[a]

Population: 28,200 (2012 estimate) of which some 40 per cent are citizens, or "belongers". The majority of "non-belongers" hail from countries in the region, North America and Europe.

Language: English.

Capital: Road Town, located on the largest island, Tortola.

Head of territorial Government: Premier Daniel Orlando Smith.

Main political parties: National Democratic Party; Virgin Islands Party.

Elections: Most recent: November 2011; next: December 2015.

Legislature: 15-member unicameral House of Assembly.

Gross domestic product per capita: $32,200 (2012 estimate).

Economy: Financial services and tourism.

Main trading partners: The United States of America, the United Kingdom and the States members of the Caribbean Community.

Unemployment rate: 3.1 per cent.

Monetary unit: United States dollar.

Brief history: The earliest known inhabitants of the Territory were the Arawak and Carib indigenous peoples. The Dutch established the first permanent European settlement in 1648. British planters took control of the islands in 1666 and the Territory attained the status of a British colony.

[a] Exclusive economic zone data from "Sea around Us" Project, a collaboration between the University of British Columbia and the Pew Environment Group (www.seaaroundus.org).

I. Constitutional, political and legal issues

1. Under the Virgin Islands Constitution Order 2007, the British crown appoints a Governor with responsibilities for defence, internal security, external affairs, public service and the administration of the courts. In the areas of internal security and external affairs, the Constitution provides for the territorial Government to have formal input. There is a reservation for the British crown to make laws for the peace, order and good government of the Virgin Islands. In terms of external relations, the British Virgin Islands is entrusted to negotiate treaties in specific areas such as certain offshore financial matters.

2. The 2007 Constitution led to the introduction of a cabinet-style Government. The Cabinet consists of the Premier, appointed by the Governor from among the elected members of the House of Assembly; four other Ministers, appointed by the Governor on the advice of the Premier; and one ex officio member — the Attorney General. The Governor attends and presides over the Cabinet. The agenda is agreed by the Cabinet Steering Committee, consisting of the Governor, the Premier and the Cabinet Secretary. The House of Assembly consists of a Speaker, the Attorney General (ex officio) and 13 elected members — 9 from one-member electoral districts and 4 representing the Territory at large.

3. General elections must be held at least once every four years. Candidates are elected on the basis of a simple majority. Persons voting must be 18 years of age or over and have "belonger" status. Belonger status includes the right to work without a permit and the right to vote. In practice, a person must reside continuously in the Territory for 20 years before he or she may apply for permanent residence and, subsequently, belonger status. In the general election held on 7 November 2011, the National Democratic Party, at that time the opposition party, won a majority of seats — 9 out of 13. Its leader, Daniel Orlando Smith, became the new Premier. The Virgin Islands Party won the remaining four seats.

4. The law of the British Virgin Islands comprises the common law of England, locally enacted legislation and imperial legislation. Justice is administered by the Saint Lucia-based Eastern Caribbean Supreme Court, which consists of the High Court of Justice and the Court of Appeal. According to the administering Power, there are three resident High Court judges and a visiting Court of Appeal, which comprises the Chief Justice and two judges of appeal and sits twice a year in the Territory. There is also a magistrates court, which hears prescribed civil and criminal cases, as well as a juvenile court and a court of summary jurisdiction. The Privy Council of the United Kingdom of Great Britain and Northern Ireland is the final court of appeal. The British Overseas Territories Act 2002 provides for the granting of British citizenship to "British Overseas Territory citizens".

5. Speaking at the Caribbean regional seminar held in Quito from 28 to 30 May 2013, the representative of the British Virgin Islands stated that, while the Territory's relationship with the administering Power was stable and not problematic, it could be enhanced and welcomed the white paper on the overseas territories published in 2012 in that regard. In his view, the Special Political and Decolonization Committee (Fourth Committee) should set specific achievable goals, taking into account the particularities of each territory, in order to further advance the decolonization process in all the territories.

II. Budget

6. According to the Government of the British Virgin Islands, the estimated expenditures of the Territory for 2012 amounted to approximately $259 million, including revenues of about $289 million.

7. The Territory collects stamp duties on certain transactions and property taxes; however, there is no income, value added or goods and services tax, and corporate taxes are extremely low. For instance, according to media reports, in 2013 the Territory collected approximately £112 million in international company registration fees.

III. Economic conditions

A. General

8. The two main pillars of the Territory are tourism and offshore financial services, which combined contribute over half of the gross domestic product (GDP). Tourism contributes just over 30 per cent of GDP, while financial services contribute approximately 18 per cent. According to the Economic Intelligence Unit, the GDP estimate for 2012 was $909 million, corresponding to approximately 2 per cent of real growth. The Territory's imports consist mostly of food, machinery and fuel.

B. Financial services

9. According to data released by the United Nations Conference on Trade and Development early in 2014, the Territory's 2013 inflow of foreign direct investment had increased by 40 per cent compared to 2012, reaching a total of $92 billion. For its part, the territorial Government decided to launch a service in Hong Kong, China, known as "BVI House Asia" with a view to improving regulatory coordination and promoting the Territory's international financial services sector in China and the region of Asia and the Pacific.

10. Early in 2014, media reports indicated that more than 1 million companies were incorporated in the British Virgin Islands without ownership disclosure requirements, making the Territory the world's biggest provider of such entities. According to data from the Territory's Financial Services Commission, over 29,000 new companies were formed during the first six months of 2013, around 400 fewer than during the first six months of 2012.

11. Several tax information exchange agreements have been signed by the British Virgin Islands, including with the United Kingdom. In an assessment conducted for the Financial Secrecy Index in November 2013, the Territory was considered to be in the middle range of financial secrecy arrangements. It was noted that the Territory had still to make major progress in offering satisfactory financial transparency. According to media reports, non-governmental organizations such as ActionAid, Christian Aid and War on Want called upon the British Virgin Islands and others to create a public register of owners of companies hitherto incorporated without disclosure of beneficial ownership information.

12. In November 2013, in a report by the Global Forum on Transparency and Exchange of Information for Tax Purposes, the Territory was considered "non-compliant". In response, the territorial Government has reportedly requested that the Global Forum prepare a supplementary review that would more accurately reflect the Territory's compliance with global standards and related reform efforts.

C. Tourism

13. The tourism sector in the British Virgin Islands continues to make efforts to appeal to the high-end traveller. According to the administering Power, in 2012 approximately 753,000 tourists visited the Territory, including some 390,600 cruise ship visitors and 351,000 overnight visitors. The direct contribution of tourism to the Territory's GDP in 2012 was $275.8 million — about 30 per cent of the total. The tourism sector was the source of about 3,400 jobs, accounting for approximately 19 per cent of total employment in 2012.

D. Agriculture and fisheries

14. Agriculture and fishing account for about 0.5 per cent of the Territory's GDP. Most food requirements are met through imports. According to the administering Power, around 800 ha of land are cultivated and another 4,000 ha are devoted to pasture. The main crops are fruits and vegetables, produced both for local consumption and for export to the United States Virgin Islands.

15. The Territory's Fisheries Act of 1997 and Fisheries Regulations of 2003 govern small-scale commercial and recreational fisheries, which serve mainly the local market.

E. Communications and infrastructure

16. The British Virgin Islands has more than 200 km of surfaced roads. The Government continues to upgrade road infrastructure and to expand the road network. In 2013, a loan was secured from the Caribbean Development Bank to support the implementation of road and bridge rehabilitation works with a view to improving drainage in flood-prone areas.

17. There are three international airports, served by 15 airlines. Direct shipping services operate from the Netherlands, the United Kingdom and the United States. A deep-water harbour is located in Road Town. A regular ferry service links Tortola with some of the islands as well as with Saint Thomas in the United States Virgin Islands.

18. Physical planning in the British Virgin Islands is governed by the Physical Planning Act of 2004, under which all development in the Territory must be approved by the Physical Planning Authority. The territorial Government is continuing to work on regulations that would replace the Land Development Control Guidelines 1972 and address such areas as the procedures for environmental impact assessments (including concerning renewable energy microgrid developments), the regulation of the subdivision of land and the preservation of buildings and sites.

IV. Social conditions

A. Labour and immigration

19. Since 2009, the British Virgin Islands has experienced an average decline of 1.5 per cent in its employed population. According to official data, in 2012 the employed population of the Territory was 18,198 persons, of which 27.6 per cent were local workers and 66.9 per cent expatriate workers. The composition of the remaining 5.5 per cent was not specified.

20. The main employers are the territorial Government, financial services, wholesale and retail trade entities and the tourism and construction sectors. On average, an employed person in the Territory earned $25,296 in 2012. Based on the Government of the British Virgin Islands definition of a small business (seven or fewer employees), small businesses provided approximately 20 per cent of the jobs in the Territory.

21. The recorded unemployment rate was 3.1 per cent in 2012. The Youth Employment Register initiative launched by the Government in 2011 remains in operation as efforts continue to be made to register unemployed youth and provide basic job training and preparation skills. Through the initiative, over 600 youths have been trained, of whom 200 have become employed.

22. Work permit exemptions are granted by the territorial Government on the basis of enrolment in the school system — entrance at the primary level and completion at the secondary level — marriage to a belonger for a period of not less than three years and residency in the Territory of the British Virgin Islands for 20 years or more by a person who has demonstrated good character.

B. Education

23. Building on the Education Act of 2004, regulations continue to be prepared to provide guidance to the education system and its stakeholders regarding the implementation of programmes and services, the monitoring of the delivery of education programmes operated under the Act, and the conduct of school supervision, including complaint investigations requested by the public.

24. Primary and secondary education is free and compulsory for children between 5 and 16 years of age, and "A-level" education is also free. There are public and private primary and secondary schools on Tortola, Anegada, Virgin Gorda and Jost Van Dyke. The Territory's secondary-school enrolment rate continues to be at between 80 and 90 per cent. Citizens from the British overseas territories benefit from the home student fee rate at British universities. Furthermore, during 2013/14, the British Virgin Islands benefited from a Chevening Scholarships award, funded by the United Kingdom. For its part, the European Union, through its decision on the association of the overseas countries and territories with the European Union of 25 November 2013, provides access to funds such as the Erasmus higher education fund and the Leonardo da Vinci vocational education fund, among others.

C. Public health

25. The Health Services Authority of the Territory, an autonomous corporate body, was established in 2005 to manage all public health-care delivery services for the Ministry of Health and Social Development. Infant mortality is very low and life expectancy is high, at about 80 years.

26. According to the administering Power, the Peebles Hospital building was officially completed in 2012 and has been formally turned over to the territorial Government. During 2013, it was outfitted with the required medical equipment. A review of the mental health system was conducted in the light of modern advances in the field of psychiatry and relevant international human rights commitments and obligations. The design of the national health insurance system continued. The system is expected to come online in 2014.

D. Crime and public safety

27. According to the administering Power, half of all reported violence in 2013 was domestic in origin and one in four of all reported crimes were offences against the person. In addition to undertaking a major training programme aimed at increasing professionalism, technical knowledge and ability and at improving the standards of management and supervision, the Royal Virgin Islands Police Force continued to work towards greater community integration and involvement through neighbourhood policing.

28. The Territory continued to work with the Caribbean Financial Action Task Force to implement common measures to address the problem of money-laundering and demonstrate its commitment to maintaining an internationally robust legal and regulatory regime for combating money-laundering and the financing of terrorism. Working in partnership with the United Kingdom National Crime Agency and law enforcement agencies of the United States of America and the Caribbean, the police force has continued to tackle transnational serious and organized crime that affects not only the Territory but also the region.

29. In addition, during 2013, the United Kingdom provided funds for a law enforcement adviser based in Miami, United States, to coordinate, manage and facilitate training and strategic advice on new techniques and skills for the Territory s law enforcement agencies, while *HMS Lancaster* and *Royal Fleet Auxiliary Wave Knight* were on patrol in the Caribbean and North Atlantic to provide disaster relief and humanitarian assistance as needed. They were also engaged in counter-narcotics and interdiction patrols. Both ships made reconnaissance visits to the Territory to improve their coordination with local disaster management bodies.

E. Human rights

30. The following major human rights conventions have been extended to the British Virgin Islands: the International Covenant on Economic, Social and Cultural Rights, the International Covenant on Civil and Political Rights, the Convention against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment, the Convention on the Rights of the Child, the International Convention on the

Elimination of All Forms of Racial Discrimination, the Convention on the Elimination of All Forms of Discrimination against Women and the European Convention on Human Rights. Since 2011, a national gender policy has been in place in the Territory to educate the public on gender roles and responsibilities and to develop new strategies to eliminate domestic and other forms of gender-based violence and discrimination.

V. Environment

31. The British Virgin Islands has acceded to several multilateral environmental agreements, including the Convention on International Trade in Endangered Species of Wild Fauna and Flora, the Convention on Biological Diversity and the Convention on Wetlands.

32. The Conservation and Fisheries Department of the Territory's Ministry of Natural Resources and Labour is responsible for the sustainable management of the Territory's natural resources. The territorial Government approved a climate change policy in 2013, setting out the Territory's plan of action to mitigate and adapt to the impacts of climate change. The National Climate Change Committee oversees implementation of the policy. The Government also approved the Virgin Islands Climate Change Trust Fund, which is expected to become operational by the end of 2014. Early in 2014, the Ministry of Natural Resources and Labour authorized a team of marine and social scientists to conduct research on coral reefs and coastal communities in the British Virgin Islands and determine how they had been affected by climate change.

33. The Caribbean Summit of Caribbean Political and Business Leaders, held in the Territory in May 2013 and co-hosted by the Premier, the Prime Minister of Grenada and the chief executive officer of a major private company, pledged to protect coastal and marine environments in the region and to develop and implement sustainable financial mechanisms to manage protected areas.

34. In January 2014, the Environmental Audit Committee of the House of Commons of the United Kingdom issued a report on sustainability in the United Kingdom overseas territories, in which it identified financial and institutional concerns regarding threats to unique habitats and species and the protection of biodiversity.

35. In the report, the Committee stated that, during its inquiry, the Government of the United Kingdom had expressed general but unspecified aspirations to cherish the environment in the overseas territories, but had been unwilling to acknowledge or to address its responsibilities under United Nations treaties. That was found to be disappointing, because the environment in the overseas territories was globally significant and comprised 90 per cent of the biodiversity for which the Government of the United Kingdom had responsibility. According to the Committee, the Government had failed to negotiate the extension of the Convention on Biological Diversity — the flagship United Nations policy on biodiversity protection — to all the overseas territories and had not ensured the accurate monitoring of biodiversity there. The Committee said that, in environmental terms, the white paper on the overseas territories published in 2012 was considered a missed opportunity.

36. Among the conclusions, the Environmental Audit Committee mentioned that:

(a) In the light of the international significance of the biodiversity in the overseas territories, 13 years was too long a gap between white papers;

(b) The Government of the United Kingdom was prepared to exercise hard and soft power in relation to financial matters in the overseas territories, but it was apparently not prepared to exercise those powers to protect biodiversity and to promote environmental sustainability;

(c) The four overseas territories to which the Convention on Biological Diversity had been extended (the British Virgin Islands, Gibraltar, Saint Helena and the Cayman Islands) had not been effectively included in biodiversity reporting by the United Kingdom; it was felt that compliance with the stipulations of the Convention was ultimately a responsibility of the Government of the United Kingdom;

(d) Without enhanced monitoring, the Department for Environment, Food and Rural Affairs of the United Kingdom could not accurately report under the Convention on Biological Diversity on the full extent of biodiversity in the overseas territories and therefore measure progress towards the commitment to halt biodiversity loss by 2020.

37. With respect to the British Virgin Islands, in the report it was stated that the Territory had "moderate" development control, exemplified by a case of ecologically damaging development at Beef Island.

38. At the same time, it was indicated that an environmental mainstreaming initiative had been designed in 2012 to help territories to put environmental considerations at the heart of policymaking and decision-making. The project had been completed in the British Virgin Islands with funding from the United Kingdom. It focused on the value of diverse ecosystems in supporting territorial economies and the need to take account of those values in economic and physical planning, drawing together a range of stakeholders to identify priorities. Completed projects had generated complementary support programmes involving economic assessments, training programmes, capacity-building and additional fundraising designed to allow policymakers to draw on a substantial environmental evidence base.

VI. Relations with international organizations and partners

39. The British Virgin Islands has associate membership in the Economic Commission for Latin America and the Caribbean, the International Labour Organization and the United Nations Educational, Scientific and Cultural Organization.

40. The Territory is an associate member of the Caribbean Community, the Caribbean Common Market and the Organization of Eastern Caribbean States and is a borrowing member of the Caribbean Development Bank.

41. As a Non-Self-Governing Territory of the United Kingdom, the British Virgin Islands is associated with the European Union but is not a part of it. As at January 2014, the Territory was a partner under the 2013 decision of the European Union on the association of the overseas countries and territories with the European Union, which was approved, among other reasons, to move away from a classic development cooperation approach towards a reciprocal partnership that promotes

sustainable development, as well as the values and standards of the European Union in the world.

VII. Future status of the Territory

A. Position of the territorial Government

42. The position of the territorial Government regarding developments concerning the future status of the British Virgin Islands is set out in section I.

B. Position of the administering Power

43. On 11 October 2013, at the 7th meeting of the Special Political and Decolonization Committee (Fourth Committee) during the sixty-eighth session of the General Assembly, the representative of the United Kingdom stated that the relationship of the Government of the United Kingdom with its overseas territories was modern and based on partnership, shared values and the right of the people of each territory to determine whether to remain British. Should the people of a territory choose to remain British, the United Kingdom would maintain and deepen its special relationship with them.

44. He went on to say that, since the publication in June 2012 by the Government of the United Kingdom of a white paper entitled *The Overseas Territories: Security, Success and Sustainability*, the United Kingdom had been working closely with the territories to develop that partnership further. His Government had a fundamental responsibility to ensure the security and good governance of its overseas territories. The United Kingdom had strengthened the annual meeting with territory leaders into a joint ministerial council and had given it a clear mandate to lead work to review and implement the strategy and the commitments set out in the white paper (see A/C.4/68/SR.7).

45. At the second meeting of the Overseas Territories Joint Ministerial Council, held in London on 26 November 2013, the United Kingdom and overseas territory leaders agreed upon a communiqué that included the following passage setting out the joint position of the United Kingdom and the overseas territories on self-determination:

> We reiterate our commitment to continuing to build a modern relationship based on partnership, shared values and the principle of self-determination. The people of each territory have the right to choose whether or not their territory should remain a British overseas territory or to seek an alternative future.
>
> ...
>
> The right of self-determination is enshrined in the Charter of the United Nations. We believe that the people of all overseas territories have a right to determine their own futures, to decide on the path they wish to take and to maintain freely their constitutional link with the United Kingdom if that is their choice. Being a British territory entails a balance of benefits and responsibilities. We affirm a commitment to shared values, high standards of

governance and building a stronger partnership. Any decision to break the constitutional link should be on the basis of the clear and constitutionally expressed wish of the people of the territory. We believe that the United Nations Decolonization Committee should delist territories where this is their wish.

Each territory is unique and has its own constitution. We will continue work to complete the process of constitutional modernizations so that territories have the greatest self-government possible.

C. Action by the General Assembly

46. On 11 December 2013, the General Assembly adopted, without a vote, resolutions 68/95 A and B, based on the report of the Special Committee (A/68/23) and the subsequent recommendation by the Fourth Committee. Section IV of resolution 68/95 B concerns the British Virgin Islands. In the operative paragraphs of that section, the Assembly:

1. *Recalls* the 2007 Constitution of the British Virgin Islands, and stresses the importance of continued discussions on constitutional matters, to accord greater responsibility to the territorial Government for the effective implementation of the Constitution and increased levels of education relating to constitutional matters;

2. *Requests* the administering Power to assist the Territory by facilitating its work concerning public outreach efforts, consistent with Article 73 *b* of the Charter, and in that regard calls upon the relevant United Nations organizations to provide assistance to the Territory, if requested;

3. *Welcomes* the active participation of the Territory in the work of the Economic Commission for Latin America and the Caribbean;

4. *Recalls* the holding, in 2012, of the meeting of the Inter-Virgin Islands Council between the Territory and the United States Virgin Islands.